

Message Text

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UNCLAS SEOUL 4114

E.O. 11652: N/A

TAGS: BDIS, KS

SUBJECT: TRADE COMPLAINT--GUARD-LINE, INC.

REF: STATE 129983

1. REFTEL DISCUSSES CONGRESSIONAL CORRESPONDENCE ABOUT TRADE COMPLAINT CONCERNING THREE SHIPMENTS OF SPLIT LEATHER WELDER'S GLOVES PURCHASED BYPGUARD-LINE, INC., OF ATLANTA, TEXAS THROUGH A CHAIN OF INTERMEDIARY FIRMS (B&B INTERNATIONAL, INC., ST. PAUL, MN; WILLIM MERCANTILE CO., LTD., SEOUL; SAM KU MULSAN CO., LTD., SEOUL) AND MANUFACTURED BY TONG SUNG GLOVE CO., SEOUL. POSITIONS OF TWO KOREAN INTERMEDIARIES FOLLOW:

2. SAM KU MULSAN DENIES THAT GOODS WERE DEFECTIVE AND STATES THAT IN ANY CASE THEY WERE PASSED BY THE INSPECTOR, WILLIM MERCANTILE. SAM KU OFFERS TO SUBMIT DISPUTE TO COMMERCIAL ARBITRATION IN SEOUL OR, IN ALTERNATIVE, WOULD CONDIDER REASONABLE OFFER OF SETTLEMENT BY GUARD-LINE OR B&B ONCE A SURVEY HAS BEEN MADE TO SHOW PROPORTION OF DEFECTIVE GLOVES. SAM KU WISHED TO CONTINUE TO SELL GLOVES TO GUARD-LINE IF WILLIM NOT INVOLVED.

3. WILLIM STATES THAT THEIR REPRESENTATIVE INSPECTED GOODS, REJECTING BETWEEN 13 AND 15 PERCENT AS INFERIOR. FIRM SAYS THAT IT WAS NOT LEGALLY ABLE TO SAMPLE GOODS AFTER PACKAGING NOR TX SUPERVISE PACKING PORCESS TO INSURE NO DEFECTIVE GOODS WERE RE-INTRODUCED INTO SHIPMENT. THIS MUST BE (AND WAS)
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DONE BY KOREAN GENERAL MERCHANDISE INSPECTING FOUNDATION (K.P.O.)

BOX 246, SEOUL; TEL. 24-2731). WILLIM CLAIMS THAT SAM KU MUST HAVE PUT REJECTED GLOVES BACK INTO SHIPMENT, AND THAT GUARD-LINE SHOULD SUBMIT DETAILS OF EXACT QUANTITY OF DEFECTIVE ITEMS RATHER THAN REJECT ENTIRE SHIPMENT.

4. GUARD-LINE MUST RETAIN LAWYER, WITHOUT WHICH NO ACTION CAN BE TAKEN TO PROTECT ITS INTERESTS. CASE CAN BE SUBMITTED THROUGH LAWYER TO KOREAN COMMERCIAL ARBITRATION ASSN., C.P.O. BOX 681, SEOUL. LAWYER COULD ALSO NEGOTIATE WITH SAM KU ON GUARD-LINE'S BEHALF. IN REPLY TO GUARD-LINE'S EXPRESSION OF DOUBT CONCERNING FAIRNESS OF KOREAN ARBITRATION PROCEDURE, KCAA STATES THAT ABOUT HALF OF ALL PAST CASES HAVE BEEN DETERMINED IN FAVOR OF CLAIMANT. THIS STATEMENT WAS SUPPORTED BY SEVERAL LOCAL TRADING AND MANUFACTURING FIRMS.

5. AMBASSADOR HAS REPLIED TO CONGRESSMAN PATMAN'S JUNE 11 LETTER (COPY TO COMMERCE AND EA/K) SETTING FORTH OUR EFFORTS AND VIEWS, AND ENCLOSING A CONSULAR LIST OF ATTORNEYS.
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